

ISSUING AUTHORITY: Indiana Department of Correction, Reentry, Community Corrections Section		EFFECTIVE DATE: 06/02/2010
APPLICABLE TO: Community Corrections Grant Act Programs		
TITLE: Procedural Bulletin #23	SUBJECT: Audits	
TEXT: <div style="margin-left: 40px;"> PURPOSE: To establish guidelines for monitoring and evaluating CCGAP receiving State funds. The purpose of the evaluation is to determine the: A: Need for continuation of the program; B: Effectiveness of the program in addressing a stated purpose, Objective, or goal; C: Efficiency of the management, operation, and delivery of the program; D: Necessity for modification of the program. </div> <div style="margin-left: 40px;"> LEGAL REFERENCE: IC 11-12-2-5 (b) (1) 210 IAC 2-1-1 (12)(A-D) 210 IAC 2-1-2 (11) </div> <div style="margin-left: 40px;"> RELATED BULLETINS: </div>		

Operational/Compliance Audits

- A. Periodically, the Department shall audit the CCGAP's as authorized under IC 11-12-2-5(b)(1), 210 IAC 2-1-1(12)(A-D), and 210 IAC 2-1-2(11).
- B. The audit team will generally perform the following audit functions:
 - 1. Operational Audit:
An operational audit is a review or an inspection of an organization's operating procedures and methods, for the purpose of evaluating their efficiency and effectiveness.
 - 2. Compliance Audit:
A compliance audit is to determine whether the grant recipient is following specific procedures or rules set by the CCGAP Procedural Manual and Grant Act Agreement, as well as the Community Corrections statute IC 11-12, et.seq. The compliance audit will also be used to determine whether the CCGAP is in compliance with all state and local ordinances.

Fiscal Audit of Financial Books and Statements

An audit of financial books and statements is conducted annually by the Department's staff or designees, to determine whether the overall financial transactions are carried out in accordance with the current CCGAP Procedural Manual, the Department's policies and procedures, and any other State or Federal regulations which apply. See P.B. #16, Attach. 1. General examples of the audit's focus are as follows (but are not limited to):

- A. Grant expenditures to insure the funds are being spent as approved in the Community Corrections Grant Act Agreement (e.g., copies of financial reports sent to the Department). NOTE: This requires that a copy of the approved grant be available at the time of visitation.
- B. To insure proper receipts and documentation are maintained on all expenditures (e.g., quietuses, claims to Auditor, vehicle mileage logs, fixed asset records, etc.).
- C. To insure prior written approval has been obtained for transfer of funds for expenditures not specifically approved in the grant.
- D. The review of Project Income to ensure accounts are carried separately, that prior approval has been obtained for expenditures, and proper documentation is present (e.g., grant ledgers including cash account, the auditor's cash fund ledger, auditor's expenditures/disbursements by line item, claims to auditor, receipt books for collections, bank statements, etc.).
- E. Review of Fixed Asset Inventory to insure such inventory is documented and items purchased are available for inspection.

Audit Exit Conference and Documentation

- A. Upon completion of an audit the Auditor(s) will conduct an “exit conference” with the CCGAP Director and/or designee.
- B. The Department will prepare a written audit report of each audit completed. This written audit report is subject to review by supervisory staff within the Department.
- C. Following the reviews of the written audit report, IDOC will mail a copy of the audit report to the Director of the CCGAP as well as to the State Board of Accounts.
- D. Upon review by the local Advisory Board, the CCGAP Director shall forward a written response of corrective action to the IDOC, Director of Community Corrections, and a copy to the IDOC, Director of Internal Audits.

FISCAL AUDIT CHECKLIST

The CCGAP should have the following documents available for the Department's Auditors upon their arrival. This will expedite the audit and will reduce time that staff will have to contribute to this process.

GENERAL

1. Vehicle mileage logs for vehicles owned by the Community Correction Program.
2. Fixed Asset Inventory Records. This information should be on prescribed or Department approved forms.
3. Copy of Performance Bond.

GRANT

1. Community Correction Ledgers and Journals (Grant and Cash).
2. Auditor's Cash Fund Ledger (or copy) including the period July 1 through December 31 for the first half of the grant year and January 1 through July 31 of the second part of the grant year.
3. Auditor's expenditure records (or copy) that record disbursements by line item.
4. Copies of claims submitted to the Auditor.
5. Copy of carryover worksheet.
6. Copies of financial reports sent to the Department.
7. Copies of quietuses.
8. Copies of approved transfers.
9. Copy of approved grant.
10. Monthly reconciliation statements of DOC cash statement with Auditor's balance.
Example:

(1)	Balance per Auditor's Cash Ledger	_____
(2)	Add: Receipts not yet posted to Auditor Cash Ledger	_____
(3)	Subtract: Expenditures not yet paid by Auditor	_____
(4)	Auditor's Adjusted Balance (1+2-3=)	_____